

PURPOSE

The purpose of this policy is to assure consistency across the Michigan Department of Health and Human Services (MDHHS) state operated facilities, hospitals and centers in supporting the right of recipients to have money that has been placed in his or her account safeguarded against theft, loss, or misappropriation and easy access to his or her personal funds to spend as he or she chooses, unless limited or restricted as provided in the Mental Health Code, Administrative Rules, or other provisions of law.

REVISION HISTORY

This policy has not been updated since original publication effective date of May 16, 2010.

DEFINITIONS

Money means any legal tender, note, draft, certificate of deposit, stock, bond, check, and credit or debit card.

SSA means Social Security Administration.

SSI means Supplemental Security Income.

POLICY

It is the policy of the MDHHS that money placed in an account for a recipient in a state operated hospital or center is safeguarded against theft, loss, or misappropriation and that each recipient has easy access to his or her personal funds to spend as he or she chooses unless limited or restricted as provided in the Mental Health Code, Administrative Rules, or other provisions of law.

STANDARDS

1. A hospital or center may require that all money that is on the person of a recipient, that comes to a recipient, or that the hospital or center receives on behalf of the recipient, be turned over to the hospital or center for safekeeping.
2. Recipients, legal guardians, where the guardianship order so specifies, or parents of minors, may use the recipients' personal funds to purchase personal possessions or clothing above the level supplied by the hospital or center.

3. Upon request, money accounted for in the name of the recipient shall be turned over to a legal guardian of the recipient if the guardian has that authority.
4. Staff may spend recipients' personal funds only for lawful purchases as directed by the recipient, guardian, or parent of a minor.
5. Pooling of recipients' funds is prohibited, except for group activities, with the assent of the recipient, guardian or parent of a minor.
6. Money accounted for in the name of a recipient may be deposited with a financial institution.
 - a. Currency shall be accounted for in the name of the recipient and recorded periodically in the record of the recipient.
 - b. Funds submitted to the hospital or center may be deposited in the hospital patients' trust fund. (This is an interest-bearing account for end-of-the-month balances of \$50 or more.)
 - c. Funds submitted to a hospital or center must be easily accessible to the recipient.
 - d. Any earnings attributable to money in an account of a recipient shall be credited to that account.
7. A hospital or center may assist a recipient in establishing and maintaining an account with a financial institution.
8. A recipient has the right to easy access to the money in his or her account and to spend or otherwise use the money as he or she chooses.
 - a. If a hospital or center has the recipient's account, a recipient must have access to funds a minimum of four hours during normal business hours; Monday through Friday, except holidays.
 - b. Recipients transferring or being discharged shall have access to their personal funds at the time of or before departure if the accounting office will be closed at time of departure.

- c. A state hospital or center may accept funds that a parent, guardian, or other individual wishes to provide for the use or benefit of a recipient of the hospital or center. Unless otherwise restricted by law, the possession and use of funds so provided are governed by section 730 of the Mental Health Code, the individual plan of service, and any additional directions given by the provider of the funds.
- 9. If a recipient has demonstrated a significant inability to manage funds, the individual responsible for implementing the plan of service shall initiate an assessment process to determine whether or not a petition for conservatorship should be filed with the Probate Court. A hospital or center shall establish procedures which include standards for:
 - a. Determining significant inability to manage funds.
 - b. Assessing an individual's competence to manage money.
 - c. Ensuring that a petition is filed with Probate Court if appropriate.
 - d. Documenting the above in the recipient's plan of service.
- 10. The hospital or center shall relinquish the balance of the recipient's funds plus any interest earned upon:
 - a. Receipt of a request from either:
 - 1. The recipient or empowered guardian (this does not include any accrued funds and interest from SSA or SSI funding where there is a representative payee, even when the state was that representative payee, or from the Veterans Administration [VA] when there is a conservator).
 - 2. Parent of a minor (note as 1 above).
 - 3. The representative payee for SSA/SSI funds or a conservator for VA funds. Note: Only the funds for which the representative payee or the conservator is responsible shall be relinquished to the representative payee or conservator.
 - b. All money, including any earnings, in an account of a recipient of a state hospital or center shall be delivered to

the recipient or authorized representative upon his or her release from the hospital or center.

11. At the end of 90 days, if no new representative payee has been established relative to Social Security and SSI funds, the funds should be returned to the Social Security Administration. Funds from other sources should be transferred to the individual or his or her authorized representative.
12. Automatic regular allowances or spending programs are prohibited. An allowance may only be implemented on an individual basis provided it has been requested by the recipient, parent of a minor or empowered guardian. The specified amount of funds shall be entered in the plan of service.
13. When a department hospital or center is the representative payee or where the hospital or center has received discretionary authority from a recipient, an empowered guardian, parent of a minor, or outside representative payee to spend a recipient's money on his or her behalf:
 - a. The hospital or center director shall designate in writing the names or positions of staff who are responsible for authorizing purchases by hospital or center personnel for recipients' personal use.
 - b. The ward or unit supervisor submits the request on a form which has been approved by the department's central office, to the designated person.
 - c. An employee authorized to make purchases for recipients is personally responsible for the judicious use of the recipients' funds and is personally accountable for them. Any unspent monies are to be returned to the recipients' individual accounts.
 - d. Itemized receipts are required on all purchases made by an authorized employee.
 - e. It shall be the duty and responsibility of the ward or unit supervisor to ensure and certify that the recipient receives the merchandise or services purchased.
 - f. Under no circumstances can the employee authorized to make purchases for the recipient be the same individual certifying that:

- (1) The recipient desires the item to be purchased.
 - (2) The recipient received the merchandise purchased.
14. Upon the death of a recipient, a hospital or center shall comply with all of the following provisions:
 - a. Every effort shall be made by a hospital or center to divest itself of a recipient's personal effects and monies if the effects and monies consist of only wearing apparel and up to \$500 cash. Distribution shall be to the spouse of the recipient, or if no spouse, to a child of the recipient, or if no child, to the parent of the recipient if that individual furnishes identification and an affidavit of such relationship and that an estate of the decedent is not pending.
 - b. A hospital or center shall send a list of personal effects or monies being held by the hospital or center to the nearest relative by registered mail and to probate court and shall call attention to statutes that provide for disposition.
 - c. If there are questions as to rival claims to personal effects or monies, property may be held by a hospital or center until the claims are determined in a probate court.
 - d. If the nearest relative cannot be contacted, a hospital or center shall send, by registered mail, to the person or entity who paid the funeral expenses, a list of the articles being held by the hospital or center and a statement which calls attention to statutes providing for disposition.
 - e. If there are no claims to personal effects or monies of a recipient who has died, property or monies shall be considered to be unclaimed.
15. If a recipient is on unauthorized leave and if the recipient's property and money is not claimed by the recipient, or the recipient's relatives, heirs, or personal or legal representative, the hospital or center director shall retain custody of the property and monies and shall handle them in the same manner as other unclaimed property.
16. If personal effects or monies of recipients become unclaimed and have been held for two years, the property or money shall be disposed of pursuant to applicable Michigan law.

17. Each hospital and center shall establish and implement procedures which further particularize and comply with the minimum standards established by this policy.

REFERENCES

- • Michigan Mental Health Code, MCL 330.1752
- • Michigan Mental Health Code, MCL 330.1730

CONTACT

For additional information concerning this policy, contact the Director of the Office of Recipient Rights at (517) 373-2319.